



NEWS RELEASE

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Rehab Center Owner Pleads to Healthcare Fraud

The founder of a Los Angeles drug and alcohol treatment facility pleaded no contest today to running a \$175 million fraudulent healthcare billing scheme, the Los Angeles County District Attorney's Office announced.

Christopher Bathum, 58, entered the plea to 14 felony counts: seven counts of grand theft, five counts of insurance fraud and one count each of identity theft and money laundering.

Sentencing is scheduled on Feb. 14 in Department 105 of the Foltz Criminal Justice Center. Bathum faces 20 years in state prison as a result of the plea.

Co-defendant Kirsten Wallace was sentenced in 2018 to 11 years in state prison after she pleaded no contest to 46 felony counts related to the same healthcare billing scheme.

Deputy District Attorney Shaun Gipson of the Healthcare Fraud Division said Bathum owned and operated Community Recovery of Los Angeles and other entities in Southern California and Colorado.

The two defendants obtained multiple health care insurance policies for their clients, using their personal identifying information and falsified the clients' circumstances to obtain the policies. The patients were unaware that policies had been issued in their name, the prosecutor said.

Bathum and Wallace also billed for former clients after their treatment ended while those clients were still working at CRLA and no longer receiving treatment.

Between June 2012 and December 2015, Bathum and Wallace fraudulently billed an estimated \$175 million. In most instances, bills were sent for services never provided.

About \$44 million was paid out by five insurance companies, the prosecutor added.

Additionally, Bathum was convicted last year of 31 felony counts for sexually assaulting seven women at his rehab facilities in case BA451669. Sentencing in that case also is scheduled on Feb. 14.

The cases were investigated by the Los Angeles County Sheriff's Department, the Los Angeles County District Attorney's Bureau of Investigation and the California Department of Insurance.

[About the Los Angeles County District Attorney's Office](#)

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to protecting our community through the fair and ethical pursuit of justice and the safeguarding of crime victims' rights.